Industrial conciliation and arbitration in New Zealand

Dunedin, New Zealand

1902

97-84107-4
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

```
  OCLC:  36835914            Rec stat:    n
  Entered:    19970501       Replaced:    19970501      Used:    19970501
⌙ Type:  a     ELvl:  K     Srce:  d     Audn:        Ctrl:        Lang:  eng
  BLvl:  m     Form:  a     Conf:  0     Biog:        MRec:        Ctry:  nz
               Cont:        GPub:        Fict:  0     Indx:  0
  Desc:  a     Ills:        Fest:  0     DtSt:  s     Dates: 1902,     ↔
⌙   1  040     PR1 ▾c PR1 ↔
⌙   2  007     h ▾b d ▾d a ▾e f ▾f a--- ▾g b ▾h a ▾i c ▾j p ↔
⌙   3  007     h ▾b d ▾d a ▾e f ▾f a--- ▾g b ▾h a ▾i a ▾j p ↔
⌙   4  007     h ▾b d ▾d a ▾e f ▾f a--- ▾g b ▾h a ▾i b ▾j p ↔
⌙   5  049     PR1A ↔
⌙   6  245 00  Industrial conciliation and arbitration in New Zealand ▾h
[microform] : ▾b a reply to the articles published ... by Mr. John Macgregor. ↔
⌙   7  260     Dunedin, New Zealand : ▾b Liberal and Workman print., ▾c 1902. ↔
⌙   8  300     23 p. ; ▾c 21 cm. ↔
⌙   9  500     Cover title. ↔
⌙  10  500     "Reprinted from the 'Otago Liberal and Workman.'" ↔
⌙  11  533     Microfilm. ▾b New York, N.Y. : ▾c Columbia University Libraries,
▾d to be filmed in 1997. ▾e 1 microfilm reel ; 35 mm. ↔
```

RESTRICTIONS ON USE: *Reproductions may not be made without permission from Columbia University Libraries.*

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 9:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 6/4/97 INITIALS: JLM

TRACKING # : 20472

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

BIBLIOGRAPHIC IRREGULARITIES

MAIN ENTRY: Industrial conciliation and arbitration in New Zealand

Bibliographic Irregularities in the Original Document:

List all volumes and pages affected; include name of institution if filming borrowed text.

_____ Page(s) missing/not available: _____

_____ Volume(s) missing/not available: _____

__X__ Illegible and/or damaged page(s): Cover _____

_____

_____ Page(s) or volume(s) misnumbered: _____

_____ Bound out of sequence: _____

_____ Page(s) or volume(s) filmed from copy borrowed from: _____

_____

_____ Other: _____

_____

_____ Inserted material: _____

TRACKING#: MSH20472

INDUSTRIAL

Conciliation

.. and ..

Arbitration

.. in ..

New Zealand.

A Reply to the articles published in the 'Otago Daily Times' by Mr John Macgregor, ex-M.L.C., Barrister and Solicitor, of Dunedin, against the Labour Laws.

(Reprinted from the "Otago Liberal and Workman.")

1902.

Liberal and Workman print, Kensington, Dunedin, New Z

Note.

Attacks on the Labour legislation of the colony have been frequent of late, its opponents apparently thinking the time has at length come to unveil their hostility. To permit these attacks to pass unrefuted would be to let the case go by default, which would in itself form the ground for further attacks in the future. It is hoped that the contents of this pamphlet will do something, however trifling, to remove the reproach that the organised Labour party are "dumb dogs," and be of some little value in showing that there are solid grounds for the admiration and imitation which the Labour laws have met with outside the colony.

Note.

Attacks on the Labour legislation of the colony have been frequent of late, its opponents apparently thinking the time has at length come to unveil their hostility. To permit these attacks to pass unrefuted would be to let the case go by default, which would in itself form the ground for further attacks in the future. It is hoped that the contents of this pamphlet will do something, however trifling, to remove the reproach that the organised Labour party are "dumb dogs," and be of some little value in showing that there are solid grounds for the admiration and imitation which the Labour laws have met with outside the colony.

Industrial

Conciliation - - AND Arbitration

in New Zealand.

A Reply to the articles published in the 'Otago Daily Times' by Mr John Macgregor, ex-M.L.C., Barrister and Solicitor, of Dunedin, against the Labour Laws.

(Reprinted from the "Otago Liberal and Workman.")

I.

IT is with a certain amount of reluctance that we take up the pen to reply to Mr Macgregor's question: "Is Industrial Arbitration a success?" and for a variety of reasons. He gives hardly any facts upon which he may be confuted He gives no proof that the system has not been a success. He does not point to any industry that has been ruined, or to any that is in danger of being ruined by its operations, but he argues on abstract grounds that the system must be a failure because it conflicts with the law of supply and demand, and because the intention of the framers of the Act of 1894 has been departed from.

"Instead of this" (the settlement of disputes that have actually come to a point of tension not defined) he says, "we have a Court that undertakes to regulate all the industries and most of the other businesses of the country down to the minutest details, simply because a union of perhaps only seven men, or even seven girls, has got up a 'dispute' with the employers and cited them before the Court to have all their business which the union has thought proper to mention adjudicated on by the Court."

This is apparently regarded as a crime, and for the reason that it conflicts with the sacred law of supply and demand (which he says elsewhere has been banished to Saturn), and is a gross and flagrant abuse of the powers given by the Act in 1894. The reluctance of which mention is made above arises from the difficulty of adequately dealing with a critic like this, who does not enter upon the discussion in an honest spirit of enquiry, but in a manner which is unfairly hostile, though the hostility is disavowed. As to the intentions of the framers of the Act, they can only be gathered from the Act itself. We do not go to 'Hansard' or to files of hostile newspapers of the day to find the intentions of legsilators; we assume that they are able to put their intentions into intelligible words, and when we find this Act entitled and described as "an Act to encourage the Formation of Industrial Unions, and to facilitate the settlement of industrial disputes by Conciliation and Arbitration," and then encounter a critic who complains because unions have been formed and the settlement of disputes facilitated without calamitous strikes, we must either conclude that the critic has not read the Act, or puts forward a half-truth in support of his arguments.

Further reluctance is created by the difficulty in finding expressions sufficiently decorous in which to describe one who is opposed to any attempt to better the condition of the workers. What is the nature of the mind that can ignore the sufferings that lie behind low wages and the evils that inevitably arise from unrestricted competition? He must have been aware that under the old rudimentary labour laws the evils that make the lot of the bulk of the toilers in the old lands a long drawn agony, offering no hope but the imminent grave, were also growing here. Would he have the worker remain under the stigma of mental inferiority because the means of education are denied him; would he confine his ameliorative efforts to spasmodic and hysterical protests against sweating? If he would not, but would see the worker lift himself to a higher plane, why sneer at

"This statutory court, which has enormous powers against which there is no appeal, perambulating the country like a peripatetic police court, inflicting fines of a few shillings upon some employer who has dared to give a job to a starving youth who has the misfortune to be a non-unionist."

It is to the last degree difficult to abstain from characterising such criticism with the heat it deserves, when we know as a matter of fact that under such circumstances the employer almost invariably takes advantage of the youth's starving condition to get work out of him for less than its fair value. And surely it is wiser to endeavour to bring about such conditions that there shall be no starving youth to be a menace to the well-being of his fellow workers. It is this strained and prejudiced view that makes it difficult to deal circumspectly with such a critic. But it throws a flood of light on the mental habit of the critic, and makes it easy to understand why the Macgregors were so frequently outlawed in the past.

It will be noted that those who are attempting to copy this law elsewhere are termed "politicians," and those who recommend it are termed "faddists." Writers like Mr. H D. Lloyd, who venture to affirm after full enquiry that New Zealand is a land without strikes, have "failed to realise the real nature and operation of the system." It is only statesmen like Mr. Macgregor who are able to peer below the surface and discern that New Zealand is walking on the thin crust of an industrial volcano, which may at any moment collapse and engulph the whole community in the molten lava

He tells us that Industrial Arbitration

"As a scheme for the settlement of industrial pursuits in the ordinary sense of the word has never been tried; and the ordinary argument in its favour—that it has saved the country from strikes—reminds one of the number of lives saved by pins—by people not swallowing them. The reply will probably be that it has made strikes impossible by reason of the fact that all industries are regulated by the decree of the Court. So be it, but let the system be judged as one used for that purpose, and not for the purpose for which it was intended."

But it has been shown that the Act was expressly intended "to encourage the growth of unions." What, then, do unions exist for? Are they merely to be debating or social clubs, not daring to discuss the conditions under which their daily lives are spent, and not venturing to dispute the terms upon which

they are to sell the commodity which is their all, but to accept the crumbs which fall from the employer's table. When in the name of all that is reasonable is a dispute a dispute? If a number of persons in a trade, dissatisfied with the conditions forced upon them in their disorganised state, organise themselves under a law expressly designed and stated to be for the purpose of encouraging the formation of unions, and if they formulate demands that are rejected with silent contempt, as the earlier demands under the Act were, if they then carry those demands to a court expressly designated in the Act a court of equity and good conscience against which there is no appeal, just as in similar circumstances there is no appeal against the decisions of the stipendiary magistrate; and if that court in the full exercise of its power grant their demands either fully or in part, and that after full inquiry into the facts and the circumstances of the business affected, what right has any man claiming the title of responsibility to term this process a "faking" of disputes and the court a unionist's court? And how shall we properly describe the political animosity that underlies a sneer like this:—

"Surely never outside of Barataria was such a court ever held or imagined, and yet the court goes on its way, trying hard to look dignified as it hurls its mimic thunderbolts against some wicked master baker for the heinous offence of employing some hungry boy guilty of the offence of being a non-unionist."

At the very moment Mr. Macgregor was inditing this sneer there were women working in Dunedin in hosiery factories who had been nine years and upwards at the trade and yet were earning only seven shillings a week, while out of their labour the employer was making £1000 a year. These women formulate their demand for a more humane condition of things. Afraid to appear in the forefront themselves, well knowing that a speedy "holiday" would be their lot, they obtain outside assistance to represent them before the court, and lo, instigated by self-seeking and venal agitators, they are "faking" a dispute before a burlesque court and Mr. Macgregor can find nothing but a lofty sneer with which to designate the process. The worker has reason to thank God that such as Mr. Macgregor have by a discerning Government no longer the power to shape his or her destiny.

II.

IT may be granted that the Boards of Conciliation have not done all that was expected of them but this has arisen from causes easily defined, and therefore as easily capable of amendment.

One principal cause was the contempt with which employers treated the whole subject. When the Act of 1894 came into operation, the employers ignored it. Though the Act contemplated the formation of unions of employers they formed none, and consequently sent no representatives to the Board. The gentlemen who were nominated by the Government in default of nomination by the employers (speaking now of the facts as disclosed in Dunedin) were conscientious men, and their published remarks show that they were speedily impressed with the justice and moderation of the claims advanced by the workers, who put forward their contentions with altogether unexpected ability. Consequently the demands were very largely acceded to.

There has never been a case before any of the Boards in which the demands of the workers were flouted. A comparison of the records would show that the recommendation of the Boards conceded to the workers nearly, if not quite the whole, of their demands. Still the employers held aloof; and compelled the workers to invoke the aid of Arbitration. It is interesting at this stage to recall some of the arguments advanced against the Bill when it was first mooted. Compulsory arbitration was held to be a self-contradiction, and it has been found that this has been verified from the consistency with which the employers did—nothing. They merely sat tight, and compelled the unions to put the machinery in motion. Instead of cheerfully accepting the Act in the spirit in which it was framed, they have all along adopted the air of contumacious defendants. In spite of the Act and of the advanced opinions that now govern the relations between the employer and employed, they regarded, and still secretly regard, the claims of the workers as a piece of preposterous impudence, and are shocked at the temerity of any one who would dare to inquire into the profits they were making, and to ascertain whether capital was not taking an undue share.

As the 'Bulletin' neatly puts it in a recent shocking case of sweating in Sydney, the agitation is not between the workers and the law of supply and demand, but between the workers and the infamous exaction of 25 per cent profits. The injudicious and partisan action of certain Boards outside of Dunedin helped to bring Conciliation into disrepute, until it really is the case, as Mr Macgregor says, that the Boards are merely courts of first instance Employers now use them to feel the strength of the case against them. But it does not therefore follow that the Boards should be abolished. It might assist to establish confidence in them, and inculcate respect for their recommendations, if their personnel were changed so as to have skilled persons sitting in every particular dispute, and it ought to be possible to group unions in allied industries so as to avoid the needless irritation of citing one employer in as many cases as he has branches in his business, but when it is found that the Court of Arbitration gives substantially all that the Board recommends, which has been the result so far, then employers will recognise the fairness of the Boards, and abide by their recommendations.

It is something extraordinary that enemies to the worker like Mr Macgregor should be permitted to traduce the labour courts with impunity. It is impossible to conceive courts more fairly constituted, and their pains-taking impartiality has been manifest, yet the impression has been sedulously fostered that they are the creatures of the workers, and have entered into a conspiracy with Parliament, and with some person or persons unknown, to rob the innocent capitalist of his wealth and to divide it among a number of corrupt and designing persons called unionists Language like this regarding the Magistrates' Court, or the Supreme Court, would lead to speedy punishment. In a lawyer it would probably lead to suspension. Even if it were true, no person would be allowed to say it in public; how much less should it be tolerated when it comes from a pen charged with the gall of party and the bitterness of the discomfited politician.

"But," says Mr. Macgregor, "the unions have divorced the Act from its real purposes as disclosed by Mr Reeves." Yet if we refer to Mr Reeves' speech, as quoted by the critic, and read the parts not quoted by him, we shall find that Mr Reeves actually cited cases where the details of industries were brought up for amendment. Indeed, it is impossible to conceive a labour court that shall not be competent to deal with the details, thus according to Mr Macgregor "creating disputes," It is

impossible even to discuss a measure of the kind without contemplating the very things that the unions have done. In the New South Wales House, Mr Neilson pointed out that a grave defect in the Arbitration Bill was the absence of provision for sending an industrial dispute to arbitration ere it occurred. It was well known, he said, that in certain occupations the main difficulties which may arise are not difficulties as to wages or hours but as to the conditions under which men are compelled to labour. A dispute may arise in regard to those conditions, and the Bill states that until the dispute has been decided by the court in one way or other, the men must continue to work under them, however vile they may be. In this way the conditions in intermittent employment would never be ameliorated. The Act, or any such Act, is created for the express purpose of bringing the conditions of labour under review for adjustment by a competent court. To bring these conditions under review they must be formulated. Yet when the unions formulate the conditions under which they wish to work, they are violating the spirit and intention of the Act, and "creating" disputes. Argument of this kind is reminiscent of a kitten chasing its own tail.

Mr Macgregor refers in various places to the "iniquitous" demand for preference to unionists, and in this portion of his attack is absolutely dishonest. He conceals the very important circumstance that Mr Justice Williams, before it was quite clear that the original Act did not confer upon the court the power to give such preference, yet did award preference as a matter of equity. He said, in effect, that the unionists had incurred the trouble, expense, and odium of coming forward to obtain better conditions. The whole body of workers benefited by the advantages obtained, and it was only just that those who had been instrumental in obtaining them should have the preference It is further, characteristically left unmentioned by Mr Macgregor that any award giving preference to unionists is conditional only. Take any award you please, and you will find something like this:—If and so long as the rules of the union permit any person of good character upon a payment of 5s, and of subsequent contributions at a rate not exceeding 6d per week, without ballot or other selection to become members, employers shall employ members of the union in preference to non-members, if *they are equally qualified.* It is also further provided in all awards that if any workman deem himself incompetent to earn the minimum wage he may be paid such wages as may be agreed upon between the union and the employer, with the chairman of the Conciliation Board in reserve in case of dispute.

What then becomes of Mr Macgregor's philanthropic baker and the starving young non-unionist? If he is not a myth, he must be a sneak, who is ashamed to come before the Union and show cause why he should accept less than the ruling wage. Of all men it ill becomes a member of the legal profession to malign arbitration and conciliation, and one of its consequences —preference to unionists. The profession is the closest union that can be found. The rates (minimum wage) are laid down by rules that cannot be evaded under pain of expulsion. The fees that may be charged are laid down in an Act. No doubt many get much more than is laid down. Eminent jurists like Mr Macgregor no doubt laugh at the petty restrictions, because they move in a higher plane, where the fees are lordly, but then all workmen do not assess their services at the minimum wage. The law says that a competent workman shall not receive less than a given wage. He gets as much more as he can—just like a lawyer. Volumes might be written about the iniquity of the closeness of the union of lawyers, but it has been exposed so often that this is unnecessary.

Medical men are also bound in a union. Surveyors, accountants, almost all the professions, have bound themselves similarly, and for precisely the same reasons that actuate workmen. The ostensible reason with professional men is the public advantage, but the real one is their own advantage They must not be blamed for this. Neither should the workers be blamed, and indeed they are not blamed except by some malcontent whose reasons if carried into effect would lead to anarchy in respect of associations. If the principle underlying industrial association is bad, then the principle underlying all professional associations is also bad, and if one should be abolished, then the other should also be destroyed.

III.

THE real point of Mr Macgregor's attack is disclosed in his article on Colonial trade unionism, and the malevolence which he feels makes him ridiculously overstate the case. Colonial unionism, he says, dominates parliament, dominates courts, and dominates the majority of workers. And the evil of this is, according to him, that the domination comes from the inner circle of wire pullers, who arrange the ticket at elections and foist upon constituencies candidates subservient to themselves. In this case it is an easy task to confute the libel, because, for the first time, he descends to particulars. "At our last election" he says, "the wire pullers consummated a secret alliance of the labour party with the Roman Catholics and the liquor interest, by means of which they succeeded in foisting upon the constituencies members of whom they were in some cases ashamed when they came to know them."

This bold assertion is merely a surmise, for which events have given no justification. It bears on its face the stamp of improbability. It is well known that in concerted politics the Catholics have only one aim, which is the obtaining of a state subsidy for their schools. Is it at all likely that they expected Mr Millar to grant it? Could they expect it from Mr Arnold? Was Mr Barclay at all a likely partisan of denominational education? The supposition is absurd. As a matter of fact, these gentlemen have been denounced by the official organ of the Catholics over the Stoke school inquiry. It is more than likely that a number of individual Catholics supported the Government candidates, but that is merely evidence of their discrimination and good sense. It is well known that a number of individual Catholics also supported the Opposition candidates and have been regretting it ever since. The Catholic vote is one of those bugbears that hysterical and designing persons periodically raise for the purpose of discrediting opponents, even though it should be at the cost of raising degrading party issues that evoke the basest passions of human nature. In point of fact, Mr Macgregor has wilfully raised the "no popery" cry in readiness for next election.

For a similar reason he has raised the "no liquor" cry. An unholy alliance between the liquor party and the unionist coterie is attributed to the "wire pullers." Where is the evidence of this? Is it in the Amending Licensing Bill before Parliament? Surely any political party is possessed of more sense than to imagine that measure a reward for support. The plain fact simply is that the majority favoured the Liberal candidate, and we must not look to the Catholics or the liquor party, or the Wesleyans, or the temperance party, or to any organisation in particular, but to a majority of the whole, who were determined that in Dunedin at all events the hands of the clock should not go back, but that men should be sent to Parliament to push forward the work of Industrial reform, already so well begun.

As for foisting candidates upon the constituencies, it may be said at once that a fool has no chance of selection, which is far more than can be said of Conservative candidates who may happen to be wealthy. The process of selection before nomination is a most protracted and searching one. The names of candidates are submitted to all the unions individually, and the one who obtains the greatest number of votes becomes the accepted candidate, when the minority loyally fall in with the choice. If there is a better way of choosing a candidate, if there is one more free from the suspicion of favour, undue influence, log rolling, or corruption of any kind, Mr Macgregor ought to come forward with it and earn the thanks of a grateful country.

Another dastardly charge against colonial unionism is the one that it deteriorates individual character. To a certain extent individual character must be submerged in any collective effort for a common purpose, but Mr Macgregor has the impudence to declare that "the whole spirit of unionism in New Zealand is to give the employer as little value as possible for the maximum of wages." To such a statement the obvious retort is that all lawyers are arrant rogues, and one is as capable of proof as the other, and quite as reasonable. Nevertheless, unionism has an aim with respect to the output of labour and its relation to the wage. Does anyone outside the field of practical labour realise what the maximum amount of work is? It means "racing" the whole time; the utmost tension of mind and body during the whole of the working hours. Why should any man or woman sacrifice himself or herself on the altar of greed in this way? This is the real "ca' canny." Some persons can produce a given result with less exertion than others. If they exert themselves to the full extent of their powers they fix a

standard which necessitates a killing pace for all around them, and the fixing of a standard is the inevitable consequence of the adoption of a uniform wage in lieu of piecework. The employer is not content to strike a balance between the output of the exceptionally skilful operative and his less richly endowed shopmate. Once a certain standard is reached by any chance it must be maintained. The tale of bricks must be delivered each day, and when the standard has been reached by exceptional ability, an injury is inflicted on all the others, who are compelled to work out of their natural speed at an injurious and, where there is machinery, a dangerous, rate. This is one of the dangers of a uniform wage, and "ca' canny" in the limited sense here indicated is the worker's only protection. The grocer does not give eighteen ounces to the pound of sugar, and it is difficult to see why a workman should be expected to give £3 worth of work for £2 2s.

The limitation of the number of apprentices is an arguable matter that Mr Macgregor very wisely does not dwell upon, but relies on Dr and Mrs Webb's dictum that it is undemocratic. It would be so if apprentices were rigorously bound and scrupulously taught, but it is not so where the apprenticeship system is prostituted for the purpose of flooding the market with cheap boys, who are discharged half taught when they begin to want men's wages.

The employees in a given industry combine to improve their condition. A union is formed and steps are taken to formulate the grievances (which may have existed for years without a gleam of hope of improvement). At this stage the employer becomes alarmed lest the light of day should be let into his (or her) practices. The ringleader in the movement is dismissed for the encouragement of the others. The law has foreseen this contingency, and has ordained that while a dispute is pending no employee shall be dismissed without sufficient cause. The union directs the attention of the employer to the infraction of a very wise law, and Mr Macgregor terms this "interference with management." And it really is so. It is interference with business in the same sense as the bull's eye of the policeman interferes with the business of the burglar.

Go into any factory, and you will see posted up the notice: "No smoking allowed." This is perfectly justifiable, according to Mr Macgregor, though it may be in a foundry, where a fire could not possibly rise from smoking. A number of employees

ask for a remission of the rule where it would hurt nobody, and give a little relief during a foodless and interval-less "shift" of nine or ten hours, and Mr Macgregor's hands are held up in holy horror at the "cheek of the working classes." Virtuous Mr Macgregor.

IV.

THERE is one thing for which Mr Macgregor must be thanked, though perhaps the thanks are due to his own misadvertence. He has not trotted out Jack Cade. In the minds of cheap journalists and critics who think they are broadly generalising when they are only groping in a fog of conjecture, this worthy has long served as a type for social and industrial reformers. In a similar manner a justice of the peace finds a prototype in Dogberry. Let there be an occasion for a smart paragraph, and the puny whipster turns to his faithful little book of quotations, and lo, the enemy is annihilated, as the French army was by Captain Bobadil. Because the Statute of Labourers failed in its object, which was to fix a maximum wage, the law prescribing a minimum wage must also fail. This is reasoning by analogy with a vengeance. As well take any other ancient law that has fallen into desuetude and reason that because it failed efforts in the direction of reform must be left to the mysterious law of nature, as shown in the divinely appointed system of supply and demand. It is like the tide, untiring in its flux and reflux, irresistible in its might, and eternal in its duration. But if Mr Macgregor had given only a portion of the study to industrialism that we would fain hope he has devoted to his profession, he would at least know the elements of the question. The difference between the fixing of a maximum wage and the fixing of a minimum is so wide that no reasoning can reconcile them. The law that wages are fixed by the standard of living is as well defined, and ought to be as well known, as the law of gravity, and this law operates very largely in the progressive demand for a shorter day. This demand was one of the earliest features in the programme of organised labour.

In the early part of the century women and children worked thirteen to fifteen hours a day. The working day was limited

only by the endurance of the workers. This was a splendid result of the law of supply and demand. Organised effort has brought it down, until the nominal day stands at eight hours, which is convenient in many classes of employment. But there is no special sanctity about eight hours. No divinely appointed law declares that the shortening process shall stop at eight. Economically speaking the only minimum to the working day is the time needed to supply the worker's wants. The maximum is defined by the physical endurance of the toiler. But we are now informed that any attempt to improve the condition of things as they happen to exist at present is "interference with trade" and "regulating the industries of the colony." Mr Macgregor reminds us very much of the old lady who shudderingly described as an atheist one who spoke disrespectfully of the equator.

Our friend is among those who hoped Judge Backhouse would curse the Labour laws of New Zealand. He has blessed them instead, like Baalam, and yet it is not recorded that any ass restrained him. But it would have been far different if a commercial man and not a judge had been selected by New South Wales to report. If for instance, one of those Sydney manufacturers who get trousers made for 2½d a pair had been chosen, there might have been produced a report altogether to Mr Macgregor's liking. It is easy to be wise after the event. Where Judge Backhouse went wrong was in not consulting Mr Macgregor, who would have produced him a report, piping hot from the oven, and warranted to make Labour leaders everywhere and anywhere squirm.

In his last article our local prophet has outlined the report his special protege "might" have furnished. But unfortunately the selection of the critic was not placed in Mr Macgregor's hands. The New South Wales government seem to have thought they knew their own business best. So they chose a man most likely from his calling, and his independence of business ties, to furnish the best report. A judge would seem to most thinkers an eminently suitable medium by which the evidence for and against a system might be brought to avizandum and weighed. But our New Zealand iconoclast has as little reverence for judges as he has for governments. Let us hope in the interests of his clients that it is not for the same reason.

It is well to note again that a singular fatality seems to have attended all who have examined the conditions in New Zealand and found them good; Mr Lloyd, Sir W. J. Lynn, Mr

Barton, Dr and Mrs Webb, and now Judge Backhouse --they are all superficial observers, or designing politicians. It has been reserved for a local man, hitherto unknown to fame, to hold up the lamp of truth, and spy out the dark corners of the infamous conspiracy to fix wages and otherwise arbitrarily regulate the production and distribution of wealth.

In some respects an attitude of self-sufficiency like this is admirable. There is something not altogether unpleasing in the contemplation of a man who is endowed with a disposition that causes him to believe that he alone is right and all the others wrong. What is unpleasing about it is the contemptuous ascription of ignorance and the culpable insinuation of corruptness of motive.

It may only be surmised whether Mr Macgregor, and those for whom he holds a brief, even dimly realise the sacrifices made by so called Labour leaders. The vulgar belief is inculcated that they make a very good thing out of their agitation. As a matter of fact, the opposite is the case. The unions are not wealthy bodies. They can pay no high fees for skilled advocacy. It was the knowledge of this that was responsible for keeping lawyers out of the Labour courts. And the Labour advocate has no other compensation. On the contrary, he incurs the odium, and in many instances, experiences the revenge, of the class who have employment to give. If need be, the wealthy man can live on his capital; the working man must employ his capital, which is his labour, or starve. And not only does he incur the risk of starving in his own person; he may also condemn his family to a narrow way of living that may blight their future. The Labour agitator has nothing to hope from his agitation; what he does is usually done because of his unquenchable desire to raise his class to a better position.

Another erroneous and injurious belief is that all Labour men are candidates for Government employment. In another series of articles not long ago, Mr Macgregor went so far as to say that departments were created to find billets for supporters It would be about as reasonable to object to the construction of railways because porters are employed, or to rail at the courts of justice because they are the happy hunting grounds of lawyers.

Still another misconception is it that Labour and Seddonism are synonymous terms. The rights of Labour to a larger share of the world's good things are eternal; Seddonism is only a passing phase of Colonial politics.

The Labour laws are doing that which any person of or-

dinary intelligence expected they would do. If any imagined that unions, after they were formed in compliance with the Act, would sit down with folded hands and meekly await the cloud on the horizon that betokened the coming industrial storm, that person possessed little perspicacity They were to continue without question under the wages and conditions given to them at the arbitrary will of employers, who are credited with a desire to give as much as the so-called law of supply and demand will permit. They were to be defensive and never offensive, because that would be "interfering with business." It never seems to have occurred to Mr Macgregor that this lands him in a false position. It is conceivable that under certain conditions employers might be justified in insisting on lower wages and longer hours. Surely even in his eyes that would constitute a dispute. But in that event the unions might reasonably resist even though they be economically wrong. Therefore such arguments are two edged swords.

Organised labour takes other ground. It declares that existing relations between Capital and Labour are radically bad, that the caprice or averice of the employer, or organised employers, deprives Labour of its fair share of the comforts and amenities and graces of life; that the same brand of humanity is on employer and employed; that a human being is different from the machine he operates, and that he has inherent claims to something higher than to be a mere chattel. To quote a recent writer in the 'Clarion': "There is a growing grasp of ideas, of ambitions, of desires, books, newspapers, and travel contributing to the awakening of Labour to a world of sense. The Trade unions because of the lessons of the past, are beginning to fight the drudge curse, to apprehend a bigger lesson, so that field, stream, lake, river, mines, cities, machinery, factories, docks, steam, electricity, ships, tides, seasons, crops markets, education, work, government, laws, the subordination of brute and raw nature to man's needs, are facts becoming better known and appreciated. Instead of being drudge, to be master and sharer of these is the dream of the dawning intellect and conscience of the worker."

V.

MR MACGREGOR devotes the longest of his articles to an exposition of what he calls the economic fallacy of a minimum wage, and according to the old school of economists he is right. If, for example, a man obtains a contract from a public body, and takes advantage of a depression in the labour market to employ men at 3s 6d a day, that also is quite right from the point of view of the economist. The economist is simply buying in the cheapest and selling in the dearest market. If a large firm of drapers employ a girl for nothing a week during the first 12 months, and at the end of that period discharge her, taking on another at the same wages, that is also quite right, and another illustration of the divine law of supply and demand. And if a humane legislature, more concerned about the welfare of humanity than with the sophistry of the schools, steps in and says to public bodies that they shall not let a contract unless the contractor undertakes to pay a living wage, and tells the draper that he must either be content with smaller profits or charge more for the dresses, that is wrong, according to Mr Macgregor. Be it so, and let us see whether it will lead us.

If it is wrong to intervene in the matter of wages, it is also wrong to meddle in other conditions of labour that may enhance prices. Sanitation, overcrowding, provision for decency, the adoption of health preserving precautions—these are all matters that should be left to the individual grace of the employer, or the law of supply and demand. Whence it follows that all labour legislation, though it has taken boys and girls from slavery in coal mines, though it has admitted a ray of sunlight to the mills of Lancashire, though it has enfranchised the woman chain makers of Cradley is a huge blunder from an economic point of view, and ought not to have been entered upon because it increases the cost of production. If this involves the principle that we must produce goods as cheaply as we can, without regard to the condition of the workers who produce them, then we ought to employ the cheapest labour of all, which is slave labour, obtained merely for the cost of subsistence. It is not to

be supposed that even Mr Macgregor's clients would go so far as to admit this openly, but this is the logical deduction from his contention. And if they are not prepared to go so far, but are willing to admit that some restriction should be placed on employers, how can it be shown that a living or minimum wage is not a reasonable restriction ?

Undoubtedly the tendency of a minimum wage is to become a maximum one. It is especially liable to become so when there are more men than jobs for them to do. But it is humanitarian in its intention, and is the admission of a principle that one man has no right to employ another under conditions that will not yield him a comfortable subsistence. If an industry will not do this, then it were better that it perished.

A great deal has been heard of the enhanced cost of living, which is attributed to the demands of the unions. Mr Macgregor's illustration is the rent of houses in Dunedin. "The landlord may have to pay almost one third more for material in order that the worker may receive higher wages, but he must not raise the rent." Raise what rent ? If a man builds a house he fixes a rent which will presumably give him a sufficient return for his capital. He is quite within his rights in doing so. But that plea does not justify him in raising the rent of houses already built. He may raise them because there is a demand for houses, and they have been raised in some cases 25 per cent in the city, on tenants who have been occupants for many years, but the landlord is not honest enough to fall back on the law of supply and demand. By his advocate he attributes his piracy to the higher prices of labour and material. And the demand for municipal dwellings is to place the supply of shelter, which is almost as great a necessity as food, above the law of supply and demand, which unrestricted leads to the slums that are the despair of social reformers.

As a matter of fact, the increase in the price of living is the result of a conspiracy among retailers, who have learned the lesson of combination too well. Specific instances can be quoted where the baker compelled to pay an additional 30s a week to a man and a youth, has raised by a halfpenny each the 2000 loaves they produced and thus recouped himself nearly fourfold. The butchers played the same game, though they were to some extent, but not nearly so much as alleged, justified by the price of stock.

The case of the coal merchants, raising the price by a shilling because of the operation of workman's compensation is

already familiar. The foolish and injudicious remark of the Premier, though afterwards qualified and explained, lent momentum to the cry, and not only gave every petty retailer from Auckland to the Bluff an opportunity to bawl out against the labour laws, but travelled to Australia, and furnished the opponents of Industrial Arbitration with a timely and potent weapon.

The bogey of Mr Macgregor, the labour leader, the Lycurgus, as he calls him, is not the fool he is assumed to be. He is not ignorant of the laws of capital, and is very far from imagining a capatalist to be an enemy. But the capitalist is an enemy not only to the worker, but to mankind at large, when he enslaves labour so that he may exact an undue share of profit. If Mr Macgregor will examine the list of properties for sale in Dunedin for one week and note the price asked and the return offered by way of rents, he will see that house property is expected to yield from 10 to 20 per cent on the outlay.

If it were possible to examine the books of some of the largest firms, he would find that the capital, originally borrowed at high rates from outside sources, is doled out three or four times over to subsidiary firms, each posing as an independent employer, and each levying his quota of blackmail, until it reaches the lowest stratum in the man who deals direct with the worker. The toil of the worker has to yield three or four profits, and his is the only medium that is supposed to be elastic. All the successive middlemen must have their four or five per cent on the turn over; it is the workman's wage only that must obey the law of supply and demand.

A typical case may here be mentioned. A group of money lenders hold money for investment. They employ an agent, who in turn secretely pulls the strings of a factory, or several factories. The nominal proprietor of each factory poses as the employing principle, but the workers have to maintain (1) themselves, (2) their nominal employer, (3) the lenders' agent, and (4) the lenders. And all the intermediaries wear purple and fine linen and fare sumptuously every day, while the workers earn a bare and precarious subsistence. A beautiful instance of the law of supply and demand.

This has come about simply because labour was disorganised, and children must eat. This disorganisation first permitted of the accumulation of capital in alien hands. Labour was indispensable to its accumulation; it is indispensable in its use, and its claims to the first consideration in the allocation of the results are undeniable, for they are sanctioned by the dictates

of humanity. There is a point at which pressure must cease. That point is the decent subsistence of the worker—in other words a minimum wage. This implies a constant pressure downward. But in the clearer day to come, when the rights and claims and duties of each—labour and capital—are better defined and better understood, the right to a decent subsistence will be tacitly conceded, and the minimum wage, with its undeniable imperfections, will be regarded as the Brown Bess of industrial warfare. In that day, which will be one of international and industrial peace, brought about alike by perfection in the arts of war, the moanings of such critics as the one we are now replying to will be as silent as his native Banshee.

VI.

WHEN a hostile critic like Mr Macgregor asks whether the Industrial Arbitration system in New Zealand has been a failure, and puts the question affirmatively, it is only reasonable to expect him to show that it has been a failure. This, however, he has completely failed to do, and for the simple reason that the facts which are available prove the contrary. It may be possible for him to give us a hundred reasons why, in his opinion, it should be a failure, but his long stream of diatribes contains not one single fact to warrant them. It certainly cannot be said that the system has injured any industry. The number of persons employed under the Factory's Act in 1894 was 25,851. In 1901 it is 53,460, or an increase of upwards of 100 per cent. And if this increase is analysed it is found to be a genuine one. It is spread over the whole field of industrial activity, and it is not due to any sweeping change in the law defining factory workers. As a matter of fact, the colony has enjoyed a period of great prosperity, attended by great industrial activity. It is not claimed that the arbitration system has brought this prosperity about. A variety of causes have operated. The change in the incidence of taxation is one of them. The growth of the dairy and frozen meat industries is another. The Liberal policy of the Government has also been a factor. And without a doubt industrial peace has done its share. At least industrial warfare has not at any time checked production.

It is in this connection that the fallacy of Mr Macgregor's special pleading becomes apparent. There has been since 1894 a steady increase in the number of factory workers. This implies a demand for labour. At the same time the Government has consistently prevented congestion of the labour market by means of co-operative works, thus necessarily intensifying the demand for labour. Is it not inconceivable that, without the arbitration system, this demand for labour would not have led to industrial trouble? Yet there have been absolutely no strikes and no lock outs since 1894. Critics of the description of Mr Macgregor may still say that there "might" have been strikes nevertheless, but so "might" the world be flat, or the sun go round it. You might demonstrate to him that any two sides of a triangle were together greater than the third side, but he would still reserve the right to doubt it.

It has been shown that by regulating the system of labour strikes are prevented, but Mr Macgregor has another argument in reserve. He is like the woman who would not lend her neighbour a tub because it leaked, and another neighbour had borrowed it, besides which she haden t got a tub. He says the real question is whether immunity from strikes is, after all, "a matter of such importance as to make it worth our while placing the regulation of our industries under the control of a court of law." The English is a little shady, but much may be excused in a critic who attaches so little importance to the disastrous influence of industrial convulsions. Millions upon millions of pounds have been wasted in fruitless and unnecessary industrial war. Countless women and children have "clemmed" to death, as the expressive Lancashire phrase has it. The lowest passions that debase human nature has been evoked. Disastrous strikes become as memorable as plagues or famines. And yet we are coolly asked whether the regulation of industries—a regulation that defies proof of economical unsoundness—is not too great a sacrifice! Surely the "wretched past" so glibly quoted by the critic has failed to impress him. For such critics history has been written in vain

The attention of a whole civilised world is arrested when a Tzar proposes a method of adjusting international differences without resort to the last argument of nations. Industrial war is far more calamitous, far more injurious, than international

war, yet writers like this seem to regard it as a normal factor of industrial life—regretable, perhaps, but still a painful necessity, as the plague was formerly considered a visitation of God. In one State, small and remote from the world centre of industry—New South Wales—the statistics show that between 1889 and 1897 there had been a loss to the State of £1,219,000 by strikes, of which Labour's loss in wages was £873,000 and Capital's £346,000. In New Zealand over a period of the same duration there have been no strikes, because they were prevented by the existence of a court of equity that has cost at most only a few thousands.

The parish politician holds views that are circumscribed by local influences and interests, or he would not fail to admit that the New Zealand system of compulsory arbitration is an epoch making institution. Perhaps its ultimate influence is dimly discerned and correspondingly feared. It admits the right of the workers to a share of the profits of industry. All employers allege that if the demands of the workers are granted, the industries concerned must be closed down. They have said this so often that probably they begin to believe it themselves. They are like the capitalists who threatened to leave the country when the plutocrat s special aversion, progressive taxation, came into existence But they have not left yet. Clipped though their wings have been by the State lending department, gloomy as the outlook may be for the man who has merely money and no other recommendations, they still cling to New Zealand. So it is with industrial employers. They have always been going to close down, but no one has done so. The most hostile critic has not, so far, been able to point to one industry that has been destroyed or even injured, by the system of conciliation and arbitration.

The present wail is so transparent that it is ludicrous. During last year Judge Edwards decided that only unions of workers who were "producers" were entitled to come under the jurisdiction of the Act. The Amending Act of 1900 enabled distributors to come in as well, with the result that, within eight months before the issue of the last report of the Labour Department some 85 industrial unions were formed. What were they formed for? If the workers had no grievances they would not have troubled to form unions. They formed unions for the express purpose of getting relief. Hence the congestion in the Labour courts, and hence the bitter cry of the industrial pessimists. In former cases fierce obstruction was placed in the way. In one instance the employers who were cited by the carters and

drivers insisted on the citation of every private person who owned a vehicle and employed a groom-gardener-coachman. Hence the summoning of 470 odd employers utilised by the opponents of the New South Wales Arbitration Bill. The parrot cry was immediately started that the Labour organisations were going too far, whereas the rush of cases was due to this immediate, recognisable, and non-recurrent cause. The occasion was too convenient to be lost. Newspapers that had formerly disguised their animosity under a show of friendliness, now showed their claws. Servile writers, eager to be of use to their patrons, rushed in, and lo! the *debacle* of Industrial Conciliation and Arbitration! This is the true interpretation of that rhyme:—

There was a young lady from Riga (Industrial Unionism).
Who went for a ride on a tiger. (the complaisant Capitalist).
They returned from that ride
With the lady inside,
And a smile on the face of the tiger.

Allusion was made above to the pur-blindness of the critic whose horizon is bounded by local influences. To such persons the steady evolution of trade unionism is a dead letter. Freedom of contract, which means the "freedom that comes from full purses on one side and empty stomachs on the other" is as dead as the feudal system. Unionism is the symbol of a silent but irresistible revolution against the modern curse of capitalism, or the curse of modern capitalism, whichever definition is preferred. It has still higher aims than the mere immediate matters of wages and hours. It is destined to be an immense force in trade and politics. In New Zealand an impetus has been given to it by one simple provision authorising an inspection of an employer's books. If puny critics cannot see the immensity of the possibilities that will arise from this, there are others who can, and who rejoice that another trench has been won, and that the day is nearer when the giving of employment will not be a favour or an act of charity, when the grimy hand will not necessarily imply social or mental inferiority; when the artizan will be as highly honoured as the capitalist, because he is personally of as much value to the world, when the worker shall look the employer straight between the eyes and realise that they are partners in industry and not superior and inferior, when the humblest home shall be replete with the comforts and adorned with the amenities that are now the exclusive property of the rich; when the child shall no longer be torn with stunted mind from school and condemned to waste its youth in a gloomy

factory; when women old or young, shall no longer unsex themselves by premature or uncongenial toil; and when industrial relations, founded on reason, and not on brute force, shall ensure lasting peace.

The Industrial laws of New Zealand have brought the millennium a step nearer, and for this organised Labour must thank the present government. Men who are both learned and wise, and who are also good, have suggested successive amendments, made desirable after experience. With a hostile or indifferent government these would have been baffled or delayed. The strong position of the Seddon government has made amendment easy, and the development of the law has been a natural and rational process, not begotten of political expediency. It is the forefront of a mighty wave, rolling majestically on to the shore of industrial peace and social development. And critics of the kind we are now dealing with are like little fractious boys who imagine they can stay its progress by throwing peebles at it.

Otago Liberal and Workman print., Kensington, Dunedin, New Zealand.

factory; when women old or young, shall no longer unsex themselves by premature or uncongenial toil; and when industrial relations, founded on reason, and not on brute force, shall ensure lasting peace.

The Industrial laws of New Zealand have brought the millennium a step nearer, and for this organised Labour must thank the present government. Men who are both learned and wise, and who are also good, have suggested successive amendments, made desirable after experience. With a hostile or indifferent government these would have been baffled or delayed. The strong position of the Seddon government has made amendment easy, and the development of the law has been a natural and rational process, not begotten of political expediency. It is the forefront of a mighty wave, rolling majestically on to the shore of industrial peace and social development. And critics of the kind we are now dealing with are like little fractious boys who imagine they can stay its progress by throwing peebles at it.

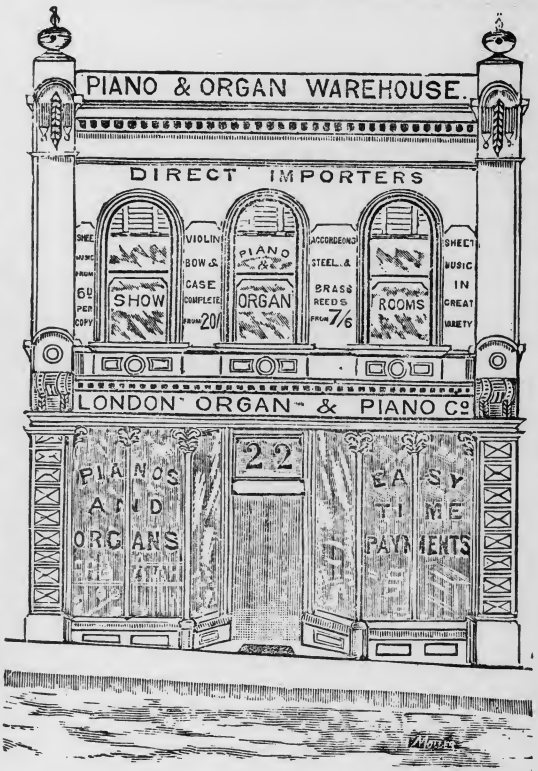
Otago Liberal and Workman print., Kensington, Dunedin, New Zealand.

PIANOS from 20s Monthly.

ORGANS from 10s Monthly.

EASY TIME PAYMENTS.

SMALL DEPOSITS.



→ SHEET & BOOK MUSIC. ←

WRITE FOR WHAT YOU WANT.

London Organ and Piano Company,

22 GEORGE STREET, DUNEDIN.

WILLIAM KROON, MANAGER.

END OF
TITLE